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15 December 1961

CURRENT INTELLIGENCE WEEKLY SUMMARY



NGA Review
Completed.

State Dept. review completed

DIA review(s)
completed.

CENTRAL INTELLIGENCE AGENCY
OFFICE OF CURRENT INTELLIGENCE

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THE WEEK IN BRIEF

(Information as of 1200 EST 14 Dec)

EAST-WEST RELATIONS Page 1

Moscow appears to be marking time on the Berlin question, awaiting the outcome of Western consultations. Khrushchev in his 9 December speech again criticized Western positions and reiterated Soviet demands for a free city, a peace treaty, and Western agreement with East Germany on access. However, Soviet statements have generally expressed neither impatience on the timing of negotiations nor pessimism about the outlook for successful talks. East German statements suggest that further controls over Allied traffic to East Berlin are being prepared. Danish approval of the NATO Joint Baltic Command was the subject of a Soviet protest note of 12 December. On the test ban issue, the Soviets seem to be laying the groundwork for an attempt to gain UN endorsement of their proposed treaty banning all nuclear tests. On general disarmament negotiations, the USSR and the US have agreed in the UN on a new committee composed of the old ten-nation committee plus eight other countries. [REDACTED]

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CONGO Page 7

As the UN was preparing for a military offensive in Elisabethville on 14 December, both the UN Command and Tshombé's military advisers appeared confident of their ability to "dispose of one another." Western European reactions to the UN military action are becoming even more strongly adverse than before. Gizenga, again established in eastern Congo, has clearly separated himself from the Leopoldville government, but Adoula is reluctant to move against him until after a "victory" in Katanga. [REDACTED]

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GOA SITUATION Page 12

Tension between India and Portugal increased during the week amid more indications that India might resort to military action against Goa and increasing diplomatic activity aimed at forestalling armed conflict. [REDACTED]

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LAOS Page 13

The three princes have met at the Plaine des Jarres to discuss preparations for what Souvanna has termed a "conclusive" meeting in Vientiane, tentatively scheduled for 26 December. Phoumi previously had broken the deadlock over security arrangements for the proposed Vientiane

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talks by acceding to Souvanna's proposals. Phoumi, possibly exploring other political solutions, in private talks has proposed that the King assume the premiership and form a coalition cabinet.

Agree-
ment has been reached at Geneva on all outstanding issues except the question of SEATO protection for Laos and the role of the International Control Commission in the integration of all Laotian armed forces into a national army.

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SOUTH VIETNAM Page 14

Reacting to expanding US support for South Vietnam and the visits to Saigon by such high-ranking US missions as that led by General Taylor, Communist China is sending a military delegation to Hanoi. This delegation is expected to discuss ways in which Peiping can demonstrate its support for Hanoi, and the talks are likely to include consideration of stepped-up logistic support for the Viet Cong. In South Vietnam, incidents initiated by the Viet Cong reportedly dropped slightly last week, although the level of overall Communist activity remains high and the Viet Cong retain the capability to mount large-scale attacks over a wide area. Diem is apparently seeking to broaden the international basis for assistance against the Viet Cong through approaches to various anti-Communist countries in Asia.

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DOMINICAN REPUBLIC Page 17

The breakdown of negotiations between government and opposition leaders enhances the opportunities of extreme leftist advocates of revolutionary action. The failure of the general strike inspired by the National Civic Union (UCN) to force President Balaguer's resignation has led to considerable disillusionment with the UCN's essentially moderate leadership, and the extremist-led 14th of June party stands to gain.

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FRANCE-ALGERIA Page 18

French officials in Paris and Algeria are apparently making preparations for a major effort to break the power of the Secret Army Organization (OAS). This suggests a desire to forestall violent rightist reactions--both in France and Algeria--to an important move Paris may soon make toward an Algerian settlement--possibly announcement of a cease-fire and the opening of formal peace negotiations with the provisional Algerian government (PAG). In the secret preliminary talks still under way, both French and PAG officials have recently indicated that the question of specific minority rights for the settlers and the nature of the transitional period prior to Algerian independence remain principal stumbling blocks.

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ALBANIA AND SINO-SOVIET RELATIONS Page 20

The USSR's rupture of relations with Albania constitutes Moscow's most serious challenge to date to Peiping; if the Chinese Communists continue to support Albania, as is probable, they must endorse a regime formally outside the Soviet bloc. By extending the break from the area of party relations to that of governmental relations, Khrushchev has served a sharp warning to the Chinese and other Communists that he is willing to resort to extreme measures to reassert Soviet leadership of the bloc. Moscow's action--which will probably be imitated by the European satellites--also forces an unwelcome choice on North Korea and North Vietnam, which had been trying to occupy a middle ground between Moscow and Peiping.

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SINO-INDIAN RELATIONS Page 22

Peiping has warned New Delhi that it will use all military means necessary to maintain its control of border areas occupied by China but regarded by India as Indian territory. The warning has been accompanied by charges that Nehru stirred up the border issue to win votes for the election next February and to repay US political and economic assistance. The barrage included an unprecedented attack on Indian Communist leader Ghosh, who Peiping alleges followed Nehru on the border issue without bothering to check into the "rights and wrongs" of the case.

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SOVIET HARASSMENT OF FOREIGN CORRESPONDENTS Page 23

Since the ending of formal censorship last March, Soviet authorities have used press attacks, expulsions, and violence to intimidate foreign correspondents and their home offices into strict self-censorship. At the same time, Soviet propagandists led by Aleksey Adzhubey's newspaper Izvestia are contrasting the allegedly discriminatory restrictions on Soviet correspondents in the US with the freedom of the press in the USSR, where President Kennedy's recent interview was published in Izvestia.

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BRIEFS

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SOVIET-AFGHAN RELATIONS Page 25

In the three months since the formal break in diplomatic relations between Afghanistan and Pakistan, the Soviets have appreciably strengthened their position in Afghanistan. The USSR has used the Afghan-Pakistan impasse to increase its role in Afghan trade and military training, and with the conclusion of a new aid agreement last October has reinforced its program of long-term assistance for Afghanistan's economic development.

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SOUTHERN RHODESIA Page 26

The disturbances in Salisbury on 7 December dramatized the deterioration in the Southern Rhodesian political situation. From a point of apparent near-agreement on British constitutional proposals last spring, African nationalists and the white-dominated government have drifted apart. The government's banning of the African party which instigated the disturbances will probably strengthen the influence of African activists who believe that civil disobedience and other forms of direct pressure are the only means of effecting change. Further clashes between the nationalists and the government are therefore likely.

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WEST INDIES FEDERATION Page 27

Trinidad Premier Williams' denunciation on 6 December of the four-year-old West Indies Federation apparently indicates a determination to follow Jamaica's example and achieve separate independence in 1962. However, he might still be persuaded to lead a federation if British aid is increased, and if the eight smaller islands are willing to be dominated by Trinidad. Williams described the 10-month-old US - West Indies agreement regarding the Chaguaramas naval base and other facilities as dead, but he will probably demand renegotiation--and more US aid--rather than elimination of the US facilities.

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LEFTIST GAINS IN BRAZIL Page 28

Communists and their allies in Brazil have made significant gains in recent weeks, particularly in the northeastern area of the country. Pro-Communist Miguel Arraes is the leading candidate for governor of Pernambuco, the most important northeastern state. In the national labor confederation, three labor leaders who generally support the Communist line won the top posts in elections on 8 and 9 December. In addition, leftists have pushed through the lower house of Congress a bill which in effect prohibits new foreign investment; this has caused a sharp drop in the foreign exchange rate.

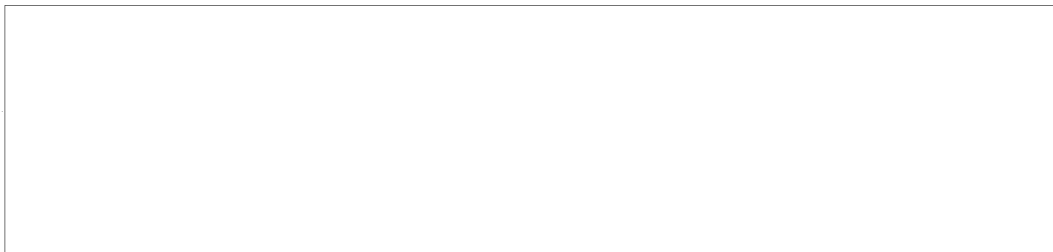
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SPECIAL ARTICLES

THE 22ND SOVIET PARTY CONGRESS Page 1

Khrushchev's decision to turn the 22nd Soviet party congress from a celebration of Soviet successes and prospects to a renewed attack on Stalinism and a direct public challenge to the Albanian and Chinese leaders stemmed from domestic and foreign problems to which he gave overriding importance. Although his immediate foes within the Soviet party had been removed from power, the policies they advocated and the concepts developed under Stalin remained to hamper Khrushchev. The primacy of the USSR within the Communist bloc was still being questioned. Khrushchev therefore seized on de-Stalinization as the tactical basis for attacking these problems. He apparently believes he can control the developing situation to the extent necessary to minimize the risks involved.

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CZECHOSLOVAKIA'S NEW AGRICULTURAL PROGRAM Page 5

The Czechoslovak regime is apparently planning a major institutional modification of its collectivized agricultural system. The state would assume more direct control over agricultural production, private plots and private livestock holdings would be abolished, and agricultural workers would come under a wage system similar to that for industrial workers. The ideological justification for the program is that it would raise the technological level of agriculture to that of industry and also raise living standards in rural areas to equal those in the cities, thereby moving the country a considerable step forward toward achievement of a Communist type of society.

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BRIEFS

SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY****WEEKLY REVIEW****EAST-WEST RELATIONS**

Moscow appears to be marking time on the Berlin question while awaiting the outcome of Western consultations. Khrushchev's speech of 9 December and reports from bloc sources suggest that Soviet policy is in an interim phase, relying mainly on propaganda and agitation to keep the Berlin issue in the foreground.

opposed the President's concept of international control of the Berlin autobahn. He claimed this "unrealistic" approach was not intended seriously by its authors. Khrushchev stressed that assurances of free access would have to be on the basis of an agreement with East Germany.

Despite this rejection and the reiteration of unreduced Soviet demands for a free city and a German treaty, there has been a notable lack of high-level statements expressing impatience on the timing of negotiations or pessimism about the outlook for successful talks. This restraint, noted by the American Embassy, has been accompanied by comments by Soviet Foreign Ministry officials indicating an awareness that Western consultations are aimed at achieving agreement on the timing and substance of Berlin negotiations.

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Soviet comment on the De Gaulle - Adenauer talks and the meeting of Western foreign ministers has stressed the theme of Allied disunity. TASS claimed that the discussion of the four foreign ministers revealed substantial differences in policy regarding negotiations with the USSR on long-overdue international problems. Moscow said that the notion of Adenauer's trying to influence De Gaulle in favor of negotiations was a paradox, since Adenauer himself was a fervid opponent of a Berlin settlement.

On 9 December, for the first time since the party congress, Khrushchev discussed Berlin publicly. In a speech to a meeting of the World Federation of Trade Unions in Moscow, he reaffirmed that the USSR was prepared for talks on Berlin, but not--as "some Western statesmen" would like--on the question of "stabilizing and improving" the occupation status in West Berlin. Without mentioning President Kennedy by name, Khrushchev once again strongly

Additional moves to concentrate attention on the Berlin and German questions were evident in a letter from Khrushchev to Italian Premier Fanfani, in a note to the US, in a warning to Denmark, and in an aide-memoire to Austria. The letter to Fanfani

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asserted that De Gaulle and Adenauer were obstructing progress toward negotiations. The note to the US--requesting that General Heusinger, Bonn's representative to the NATO military committee in Washington, be arrested and handed over to the USSR for trial as a "war criminal"--was a blatant propaganda maneuver, apparently timed to coincide with the sentencing of Adolf Eichmann and the NATO meetings in Paris.

Danish approval of the NATO Joint Baltic Command with West Germany was the subject of a Soviet protest note on 12 December. The note charged that approval of the command arrangements would complicate the situation of Denmark's neutral neighbors and force the USSR to adopt necessary measures, implying renewed pressure on Finland.

The Soviet note probably was aimed primarily at focusing international attention on Soviet allegations of West German militaristic intentions and at bringing pressure on Denmark to delay the implementation of the joint command agreement. It does not appear to foreshadow an immediate Soviet move to revive the demand for military talks with Finland. Repetition of the line that the USSR will be compelled to take security measures, however, is probably intended as a reminder to Finnish President Kekkonen of the watchdog clause in the communiqué he signed with Khrushchev. That part of the communiqué expressed Soviet hopes that Finland would "attentively follow" developments in Northern Europe and the Baltic and, in case of necessity, suggest "appropriate measures" to the Soviet Government.

A new feature of the Soviet note was the charge that inclusion of the island of Bornholm in the Baltic Command violated the letter and spirit of assurances given to the USSR after World War II that no foreign troops would be stationed there.

German domination of the Common Market has been the main

theme of Soviet opposition to Austrian association with the EEC, and on 12 December the Soviet ambassador delivered an aide-memoire asserting that Austria's association would be incompatible with a policy of neutrality and thus a violation of the State Treaty.

Berlin

The East Germans are taking further steps to consolidate their gains along the East - West Berlin sector border and to prepare new moves. Ulbricht said on 6 December, in an interview to be broadcast over CBS television on 4 January, that conditions for entry into East Berlin would "soon" be "normalized" to require passports with visas at the sector border, which he described as the state frontier of the German Democratic Republic. Western acceptance of East German visas would be tantamount to recognition of the Ulbricht regime.

Ulbricht was more evasive on the subject of Allied military entry to East Berlin, merely observing that this question would not arise, since there would be "no place" for Allied military personnel in East Berlin--presumably a reference to the Communist position that signature of a Soviet - East German peace treaty will invalidate all Western occupation rights in Berlin.

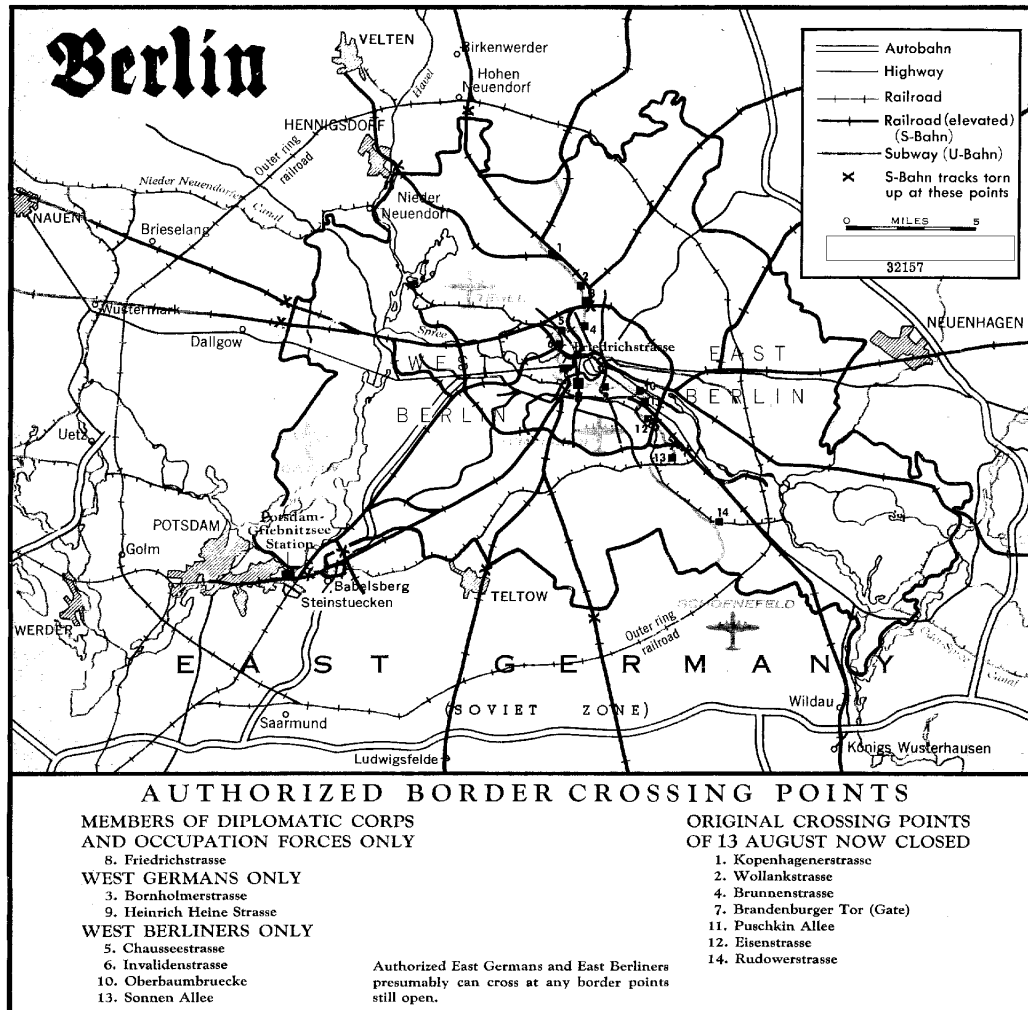
Heavy construction at the sector-crossing points in recent days--particularly at Friedrichstrasse, the point designated for Allied use--is intended to deter forcible attempts to pass the barrier. All seven crossing points have been provided with all the trappings of an international frontier.

The Soviets and East Germans have both continued to emphasize the new line that rotation of American troops to and from Berlin is heightening tensions and is illegal because the troops are subordinate to NATO.

Civilian traffic on the highway to Berlin has been

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subjected to long customs checks by East German authorities. These measures caused a back-up of 100 trucks at the Babelsberg checkpoint on 11-12 December. However, US troop convoys on the autobahn have continued to move without difficulty, although there have been some delays at the West Berlin end of the highway due to meticulous checking by Soviet guards at Babelsberg.

The East German regime also has taken steps to increase its control over rail traffic between East and West Germany

by rerouting the important line from Hamburg so that all Western rail traffic, except some outgoing freight trains, must enter and leave West Berlin on one line via Potsdam. This increases the vulnerability of rail traffic to stoppage in case of accident. In the meantime, US military trains have been subjected to increasing delays in reaching Berlin.

This move has been accompanied by warnings that the refusal of Western countries to attend a recent international meeting in East Germany concerned

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with railroad scheduling might "entail serious disturbances in traffic crossing the border." Such threats presumably are intended to promote the regime's campaign for negotiations with West Germany on a governmental level.

The East Germans are also emphasizing charges that East German - operated elevated railroad (S-Bahn) coaches on the only two remaining S-Bahn lines passing through West Berlin are being damaged by "hired rowdies" as they transit the Western sectors. Since the S-Bahn now is running at a financial loss, such threats may be preliminary to further curtailment--or even a shutdown--of the S-Bahn service.

More recently, East German officials have also claimed damage to interzonal trains and equipment and warned that such "criminal actions" could result in serious disturbances to transportation between Berlin and West Germany, including Allied rail transport.

Nuclear Test Ban Talks

The Soviet, US, and UK delegations at the Geneva test ban talks have agreed on an interim report to be submitted to the UN Disarmament Commission on 14 December. It will consist of the verbatim records and documents of the conference from its resumption on 28 November through 7 December. Following this report, the Soviets will probably take some initiative at the UN to secure approval of the Soviet draft treaty.

Soviet delegate Zorin warned the UN political committee on 13 December--after the committee unanimously approved the US-Soviet agreement setting up a new disarmament forum--that the Soviet Government would be "impelled" to resume its nuclear testing if the US, Britain, and France did not agree now to abandon their current and projected testing.

Ambassador Stevenson believes there is a "distinct possibility" that the African delegates who inspired the "de-nuclearized Africa" and "ban the bomb" resolutions with Soviet help and guidance may introduce a resolution putting the General Assembly on record as favoring the Soviet treaty proposal at Geneva. Moscow would undoubtedly prefer nonbloc sponsorship of this resolution, and Soviet delegates may be working behind the scenes to persuade delegates from Belgrade Conference powers to sponsor it.

Khrushchev's impromptu remarks on nuclear testing in his speech to the WFTU Congress appear designed to increase non-bloc, especially neutralist, opposition to US nuclear testing during the test ban talks and to build up support in the UN for the USSR's "new approach," calling in effect for a moratorium on all testing without any international controls. Khrushchev took note of the USSR's 27 November proposal that the powers possessing atomic weapons "not carry out tests while negotiations are being held." He pointed out that the Western powers are carrying out new tests and reiterated the warning that such testing "gives us the right, when necessary, to continue our tests...." Khrushchev claimed for the first time that, as a result of the recent test series, the USSR has thermonuclear bombs of more than 100 megatons.

At Geneva, Soviet delegate Tsarapkin has continued to reject the concept of international controls over a test ban until agreement on general and complete disarmament is reached. During the 7 December meeting he defended the feasibility of national detection in all environments except underground and cited as "proof" US announcements of recent Soviet tests. Tsarapkin also continued to stress as justification for the Soviet draft treaty the US-UK proposal

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of 3 September to ban tests in the atmosphere, with reliance on national detection systems. He asked, "If the West wanted to stop atmospheric contamination on 3 September, then why not now?" He claimed that "no one in the world" will believe the Western argument that the proposal's expiration on 9 September is justifiable, "since radioactivity still remains a problem." He concluded with a call to the West to accept the Soviet draft agreement "for the benefit of mankind."

At the 12 December session of the talks, Tsarapkin for the first time probed the Western delegates on whether their governments have given the final answer to the Soviet proposal. He asked whether continued underground testing during the negotiations was the US answer and stated that in view of the known Soviet position on controls, continued US reference to them could only mean the US had no intention of seeking agreement.

Soviet-US Disarmament Talks

Apparently in an effort to demonstrate the USSR's interest in negotiating major East-West issues, Zorin worked out an agreement with Ambassador Stevenson on 8 December adding eight countries to the old 10-nation disarmament committee. At the beginning of the talks Zorin took a position for the record in demanding that the new forum add five nonaligned states to the old committee of five NATO and five Warsaw Pact powers. While the new agreement falls short of this position, Moscow probably considers it has gained further recognition for the troika concept by securing the addition of nonaligned states in negotiations on what has traditionally been an East-West issue.

Three of the countries selected for the new forum--

India, UAR, and Mexico--were among the five initially nominated by the Soviets. Agreement on the other five states --Brazil, Nigeria, Ethiopia, Burma, and Sweden--was reached after hard bargaining in which Zorin refused US nominations of countries associated with it in military pacts, especially Japan. Zorin and Stevenson agreed that the states selected would be approached after the agreement was confirmed and that no publicity would be given prior to such approach. Zorin said that in case any of these states should decline to participate, the entire slate would have to be renegotiated.

The Soviets also backed away from their insistence that the disarmament forum should submit a draft treaty to a special UN General Assembly by 1 June 1962. Zorin agreed that the draft resolution should call for the committee to submit to the General Assembly a report on a disarmament agreement as soon as it has been reached, and in any case submit to the UN Disarmament Commission not later than 1 June 1962 a report on the progress achieved.

On 5 December a member of the Soviet UN delegation told an Italian delegate that he thought it would be possible for the USSR to work out with the West in technical disarmament discussions some halfway position on control of armaments retained as well as armaments destroyed under a plan for general and complete disarmament. The bilateral talks last summer failed to agree on this point, and last fall Moscow charged that in seeking checks on armaments retained, the US was resorting to the old demand for "control over armaments."

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CONGO

The UN military buildup, UN attainment of air superiority, and what Tshombé views as the likelihood of an "all-out" UN offensive have not induced him to pull back his troops, or to consider seriously coming to terms with the central Congo government. The UN action has instead resulted in a Katangan buildup, and a resolve to "fight to the finish." Katangan officials have called for the populace to "poison their arrows" and to "pick out a Swede, an Irishman, and Indian...there are enough to go around." Probably only a military defeat could get the Katanga regime to negotiate on anything other than its own terms, namely the maintenance of Katangan autonomy. Even if Tshombé's forces were dispersed, guerrilla activity in his name might continue.

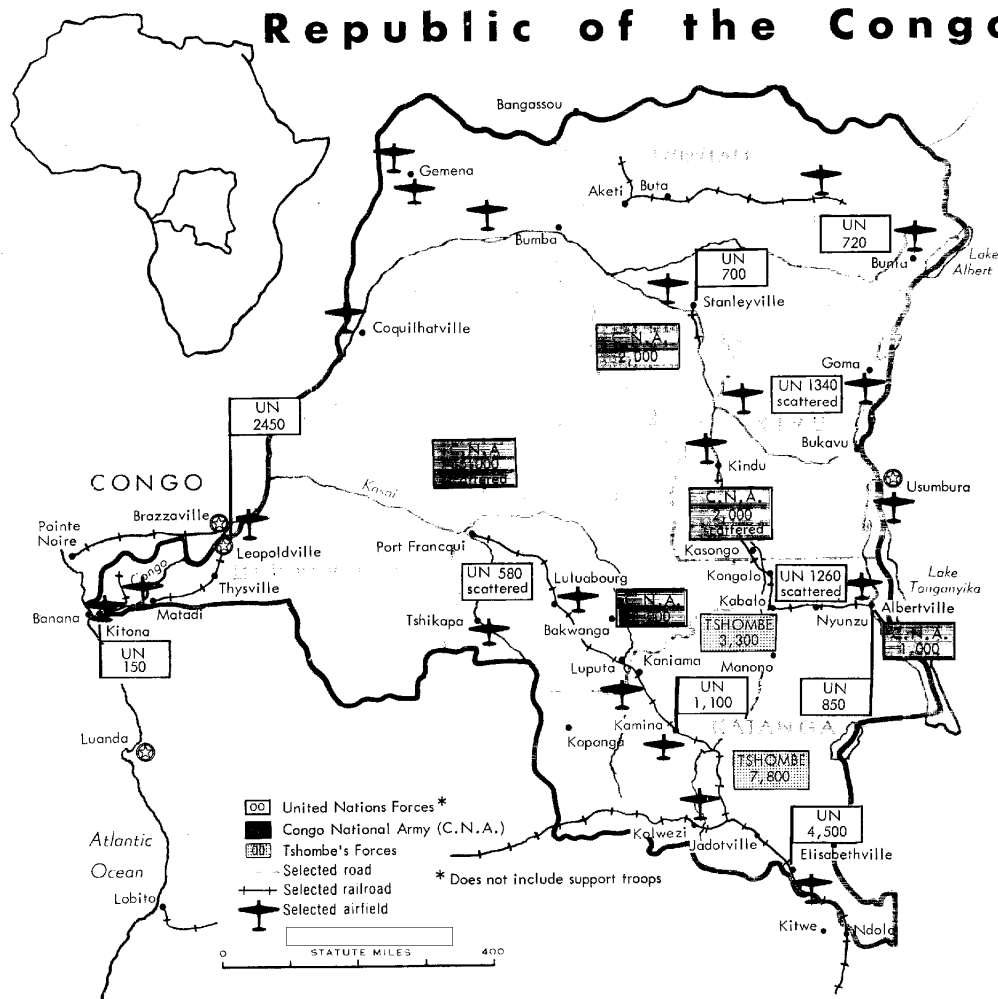
military morale seems to remain high. Katangan forces are in control of the greater part of the city; the UN holds certain positions in Elisabethville--notably the UN headquarters--but is concentrated at and is in control of the Elisabethville airport. Nevertheless, infiltrating Katanga troops and aircraft have been able to cause some damage in night attacks. UN strength in Elisabethville is now over 4,500; Tshombé's forces number 7,000 to 8,000 plus 200-400 white mercenaries.

The US airlift of UN reinforcements continues to produce a strong anti-American reaction within the Katangan government. Tshombé continues to encourage and capitalize on anti-US and anti-UN sentiment, obviously hoping that sufficient Western pressure could be exerted on the UN to avoid an all-out attack. Tshombé, or his advisers, continue to project the image of Tshombé as a staunch anti-Communist, African leader in charge of the only stable province in the Congo, who has been unjustly attacked by a UN military force bent on seeking revenge for the Katangan "victory" last September. Tshombé was quick to charge that the damage reportedly done to Union Minière installations by UN aircraft was clear proof that the UN was trying to destroy the Katangan economy, again hoping to produce additional pressures on the UN. There is no good evidence that the damage was deliberate. The UN Command is, however, probably persuaded that Union Minière is solidly behind Katangan resistance and that it "controls" Tshombé.

After a week of fighting, including air attacks, Katangan

UN intentions and capabilities remain uncertain. Opinion appears

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divided as to what should be done and what can be done. In New York, Secretary General Thant has emphasized that the UN has "limited" objectives, that it does not wish to crush Tshombé, but to restore law and order, to protect UN military forces in Katanga, and bring about a reconciliation between Tshombé and Adoula. Ouster of the white mercenaries is allegedly not an immediate objective.

The limited objectives envisioned by Thant, however,

are not always subscribed to by some of the field officials. Resentment over being forced into a cease-fire last September remains strong among UN personnel in the Congo, particularly among the Indian troops. Indian Brigadier Raja has been reported as eager to "clean up" Elisabethville. The Indian chargé, Rahman, assigned to Leopoldville, is in Elisabethville urging vigorous UN military action. UN Military Command officials in Elisabethville were reported by the American Consulate on 10 December

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as discussing an all-out effort against the city, including a house-to-house cleanup.

Late reports indicated the UN "offensive" was scheduled to begin on 14 December. The UN move could result in heavy civilian casualties and extensive property damage, and may produce a long-term guerrilla-type war, beyond the UN's capabilities to control. The American consul in Elisabethville warns that there appears again to be a dangerous tendency in the UN Command, as there was last September, to underestimate Katangan capacity and resolve to resist. UN officials, however, may believe that a second retreat would be the practical end of any prospects to bring Tshombé to reintegrate Katanga on anything but his own terms.

European Reaction

UN military actions already have provoked strong public and official criticism in Brussels, London, Paris, and Salisbury. In most capitals of Western Europe the view prevails that further UN action will result only in chaos and that the UN must work for a negotiated settlement. There is particularly strong anti-UN and anti-US feeling in Brussels, where the UN action is regarded as naked "aggression." There is little understanding of the UN motivation, and there is real concern for the personal safety of the 15,000 Belgians in Katanga, as well as for Belgian economic interests. While Brussels does not favor and is not aiding Katangan secession, it continues to favor a solution of the Congo problem on the basis of peaceful reconciliation with Tshombé based on a federal Congo. The Belgian Government is afraid strong pressure on Tshombé could result in confiscation of

Belgian enterprises, notably the Union Minière complex.

Foreign Minister Spaak is strongly criticized for his policy of cooperation with the UN. There has not yet been any demand that Spaak resign, probably because it would bring down the government and the formation of any other government would be extremely difficult.

The Macmillan government wants President Tshombé's regime peacefully to federate with the central Congo government.

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On 11 December the British Government abruptly suspended its three-day-old release of 24 1,000-pound bombs for UN planes, explaining that the UN's intentions appeared aggressive.

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Leopoldville

Adoula, in Leopoldville, whose chances for remaining in

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power rest largely on victory over Tshombé, is clearly awaiting a UN success in Elisabethville. Frustrated by the incompetence and incapacity of his own Congo Army forces to mount a successful invasion of Katanga, he is hoping the UN will do the job for him.

Recent reports indicate that he is attempting to demonstrate he is doing something by sending a token Congo Army force to fight alongside UN forces in Elisabethville. Pressures from the "nationalists" in his government may additionally induce him to order General Mobutu's forces, now in Kasai Province, back into northwestern Katanga. In a move to reduce Gizenga's claims to credit for the Congo Army's UN-assisted takeover in northern Katanga, Adoula has sent anti-Tshombé Baluba leader Jason Sendwe to take administrative control.

Congo Army and/or UN forces remain in control of the northern Katanga towns of Albertville, Nyunzu, Niemba, and Kabalo, and the more southerly town of Manono. Both forces have so far avoided a contest of Tshombé's control of Kongolo, but an attack may be imminent.

Stanleyville

Adoula remains cautious about provoking an open showdown with Gizenga, although the Stanleyville leader has clearly separated himself from the Leopoldville government. In a 29 November speech Gizenga criticized Adoula for working with the "imperialists" and as having failed to resolve the Katanga problem, and called on Congo Army troops to follow him. Adoula's caution is a reflection of his inability either to enforce Gizenga's support of the government or to dismiss him. It is also a reflection of the prevailing attitude in the government and parliament that the Gizenga issue is secondary to the problem of reducing Tshombé.

The embassy in Leopoldville reports that Adoula is laying the groundwork for a parliamentary censure of Gizenga which would enable him to dismiss Gizenga from his post as a vice premier. The embassy doubts Adoula will push the action before parliamentary sentiment crystallizes or prior to favorable news from Elisabethville.

There have been no further details of the Soviet offer of

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military aid and financial assistance to Adoula, who has recently accredited Soviet, Polish, and Czech diplomats. Should the UN action fail to bring Tshombé into alignment with Leopoldville, the pressures on Adoula would probably be such that he could only avoid ouster by grasping Soviet aid.

Tshombé's holdout is Gizenga's most important weapon in his effort to undermine Adoula's position. Gizenga, nevertheless, remains at least temporarily deserted by his former political supporters now in the Adoula government, and personal rivalries have frustrated his first efforts to bring about an amalgamation of Congo political parties under his control. What limited strength he commands is based on his claim to be the "heir" to Lumumba and his apparent ability to collect--often by force--funds to pay part of the Congo Army.

Gizenga continues to try to maintain himself as the leading anti-Western nationalist alternative to the Adoula government. He apparently does not intend to return to Leopold-

ville and continues to devote his attention to projecting himself as the true leader of the Congo Army "invasion" of northern Katanga. He is attempting to extend his influence beyond his Orientale Province base into Kivu Province. Muhiro, the provincial president in Kivu, who was once before overthrown by Gizenga, claimed on 12 December that Congo Army forces from Orientale responsive to Gizenga were moving into Kivu with the objective of overthrowing his government.

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Gizenga is about to proclaim a separate state of the eastern Congo composed of these two provinces and northern Katanga. If he should be able to show an ability to consolidate his position, he might again be able to obtain Soviet support.

It appears that in any event Adoula will continue to be in difficulty. Even if the UN were to achieve a clear victory over Tshombé, Adoula would still be faced with the problem of Gizenga and the radical nationalists in his own government.

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GOA SITUATION

Tension over Goa mounted during the past week amid more indications that India might attempt to force Portugal to withdraw from its possessions in India. New Delhi's military buildup--completed on about 10 December--has brought more than 30,000 soldiers with supporting air and naval units to the area adjacent to Goa.

into Goa. In the absence of any Indian response to Lisbon's proposal for the dispatch of independent international observers to the Goa border area, it is possible that the Portuguese may now try to organize a committee of observers from non-NATO countries.

The high point in diplomatic activity has been Portugal's invocation of a mutual-defense treaty with Great Britain dating back to the 14th century. This has led the British to impress on Nehru the consequences of Indian resort to force and the need to explore every possible avenue for a negotiated settlement; according to press reports, the British also warned Lisbon to avoid any provocations. According to the British High Commissioner, Nehru refused to guarantee that he would not resort to force but nonetheless did not rebuff the approach as London had feared.

Diplomatic pressure on the protagonists has increased sharply as each party sought international support for its views or at least sought to neutralize the effect of the other's diplomatic actions. Hopeful that world opinion, coupled with Western diplomatic pressure, will dissuade the Indians from precipitate action, Lisbon has twice informed the UN Security Council that it considers Indian military "aggression to be imminent" and has also apprised the North Atlantic Council of the situation. India too has written the UN.

Lisbon has publicized its side of the Goa problem by inviting Western correspondents

While Portugal recognizes that Goa is militarily indefensible with the forces available, the territory would not be surrendered without a bitter struggle. An evacuation of dependents of military personnel and those Goan women and children "who may wish to go" has begun. The loss of Goa would be a serious blow to Portuguese prestige and would strengthen domestic opposition to Premier Salazar, particularly among many now identified with his regime. The government's overriding concern now, however, is probably the effect that the Goan situation may have in the other "overseas territories."

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LAOS

The three princes met on 14 December at the Plaine des Jarres to discuss preparations for what Souvanna has termed a "conclusive" meeting in Vientiane. Phoumi previously had broken the deadlock over security arrangements for the proposed Vientiane talks by acceding to Souvanna's demands. The Vientiane meeting is tentatively scheduled for 26 December, but Phoumi, who has never concealed his distaste for negotiations which would lead to a Souvanna-led coalition including the Pathet Lao, may hope to postpone the meeting to a later date.

Phoumi, possibly in an effort to achieve a more satisfactory political settlement, has resurrected his proposal that King Savang assume the premiership and form a coalition government. Savang, who shares Phoumi's distrust of Souvanna's ability to control the Pathet Lao and who prefers to remain aloof, has responded that he "might" agree to such a move under certain conditions, including support by "all parties," and Laotian neutrality "guaranteed by the great powers."

Laotian Army forces continue limited operations on all fronts. Anti-government units have initiated probing actions in northern Vientiane Province and in the area east of Thakhek.

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At an 11 December restricted session of the Geneva conference, agreement was announced on a timetable for the withdrawal of all foreign troops from Laos and on the "French presence" in Laos. All military forces are to be withdrawn within 75 days under the supervision of the International Control Commission (ICC) after the Laotian government approves the agreement. The agreement recognizes the right of a new Laotian government to ask the French to supply a "precisely limited number" of military instructors and to conclude an arrangement for the transfer of French military bases to Laotian combat.

Remaining issues to be discussed include SEATO protection for Laos and the problem of demobilization. The Communists have consistently refused to recognize the conference's jurisdiction over the latter issue, which involves the integration of all Laotian armed forces into a national army under the control of a unified government. Soviet delegate Pushkin is still pressing for a plenary session of the conference before Christmas at which the delegates would approve the agreements already tentatively reached in restricted meetings.

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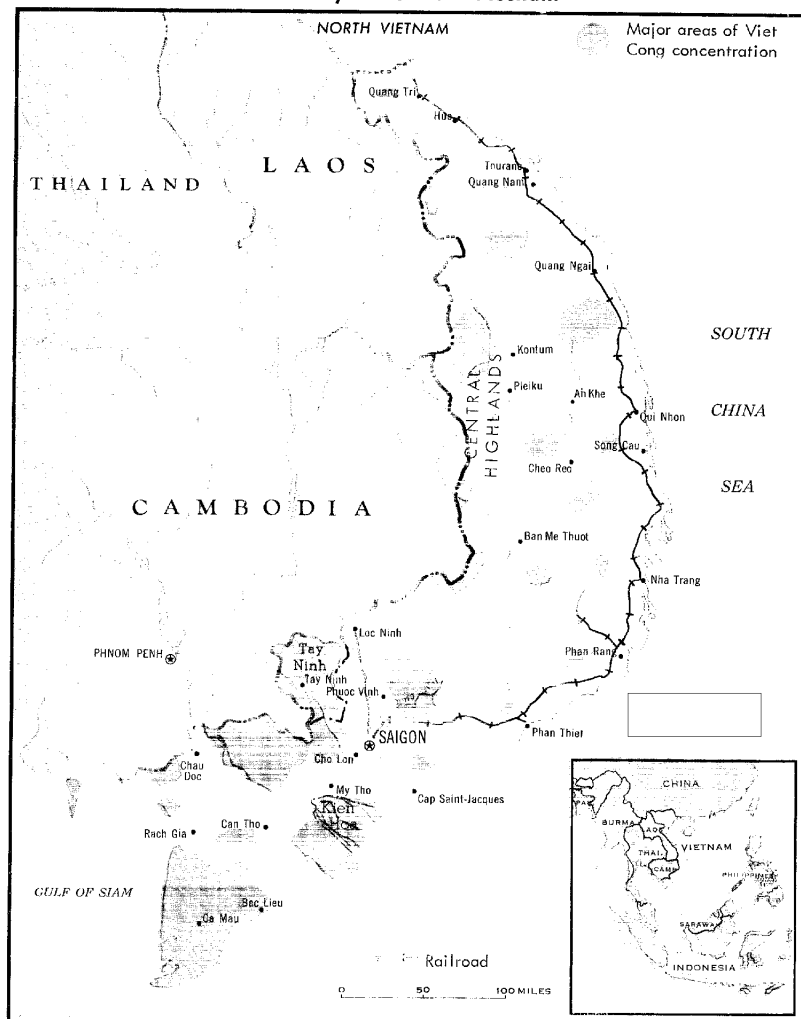
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SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY****SOUTH VIETNAM**

Reacting to expanding US support for South Vietnam and visits to Saigon by such high-ranking US missions as that led by General Taylor, Communist China is sending a military delegation to Hanoi. This delegation is expected to discuss ways in which Peiping can demonstrate its support for Hanoi, and the talks are likely to include consideration of stepped-up logistic support for the Viet Cong.

A drop in incidents initiated by the Viet Cong has been reported recently, although total Communist activity in South Vietnam remains at a high level and the Viet Cong retain the capability to mount large attacks over a wide area. The Viet Cong may be preparing for stepped-up propaganda and guerrilla action in connection with the first anniversary of the clandestine Communist National Front for the Liberation of

Communist Guerrilla Activity in South Vietnam

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South Vietnam on 20 December or of North Vietnamese Army Day on 22 December.

Government forces have continued counteroperations throughout the country with little effect on the overall security situation. The US air attaché reported a successful air-ground operation on 30 November northwest of Saigon in Tay Ninh Province. In Kien Hoa Province, south of the capital, however, a sweep operation between 4 and 8 December had little result. The operation involved two airborne battalions, three infantry regiments, civil guard and ranger companies, naval craft, and active participation of the Third Corps headquarters.

Criticism of US policy in the Saigon press has all but ceased; there has been some favorable press comment that the US and South Vietnam have reached agreement on measures aimed at "increasing effectiveness of the joint anti-Communist struggle." One senior official in Saigon commented that, since the public now expects administrative changes, he and several ranking ministers will propose that top-level orders emanate only from Diem and his brother Nhu, but that below the broad policy level, department heads be responsible for all implementing measures. This official, however, questioned Diem's will-

ingness to delegate authority to the ministerial level.

The influence and effectiveness of recent steps taken by Diem, such as revival of the National Internal Security Council, have not been tested.

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Saigon appears to be intensifying its efforts to broaden the base of international support for its struggle against the Viet Cong. In addition to its approaches to Malaya and Taiwan, which have already provided limited military and technical assistance, Diem is reported to have asked Thailand for aid, and the request apparently will be given serious consideration.

South Korean security chief Kim Chong-pil may arrive in early January to make a preliminary assessment of the situation in South Vietnam. South Korea's capability to provide aid is limited, but the Seoul regime probably would at least desire to provide token assistance to Diem in order to emphasize the need for the free world to take stronger measures and furnish greater aid in combating the Communists.

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DOMINICAN REPUBLIC

The breakdown on 10 December of the negotiations to end the political impasse has further embittered relations between the Dominican opposition and armed forces chief Rodriguez Echevarria. Rodriguez vetoed the solution that had been agreed to in principle both by President Balaguer and leaders of the National Civic Union (UCN).

Balaguer

subsequently announced that he now intends to finish his presidential term, which ends in August, after holding previously scheduled elections in May. He pledged that the elections will be free. This does not solve the impasse and unless a settlement is soon found, public frustrations may erupt into widespread violence. Some student groups have already adopted the view that "Fidel was right" and now are inclined toward direct revolutionary action.

The UCN-inspired general strike ended on 9 December after 11 days, without achieving its objective of forcing Balaguer's resignation. The UCN leadership has apparently lost considerable prestige, and the organization has been weakened, even though it remains the largest among the opposition. Some UCN adherents may attempt to set up a rival group. Business and professional people, who almost solidly supported the UCN before and during the strike, are disinclined to support a new strike.

The 14th of June party (PCJ), which is strongly in-

fluenced by extreme leftists in its leadership, deliberately avoided participation in the strike and now stands to benefit from public disillusionment with the UCN. The PCJ is particularly strong among students and was apparently represented in the mob which attacked the US Consulate General on 12 December.

Two politically moderate opposition groups, the Dominican Revolutionary party (PRD) and the "30 May group," are in a position to compete with the extremist PCJ leaders. PRD President Juan Bosch, whose moderately leftist party has close ties with such reformist Latin American leaders as Venezuelan President Betancourt and ex-President Figueres of Costa Rica, may have gained strength during and after the strike as a result of the UCN's failure. The "30 May group," composed of civilians and military men who were involved in or had a sympathetic association with the plot that resulted in Trujillo's assassination on 30 May, is not a political party. However, it is playing an increasingly significant role as the public becomes aware of the heretofore unsuspected wide participation in the plot, which extended into the military, the opposition, and civilian elements of the government.

Minister of Industry and Commerce Salvador Ortiz is one of the few realists, either in the government or the opposition, who recognize the alarming economic problems facing the country. Unless a political solution is soon found, uncoordinated and often ill-conceived economic and financial measures

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will probably continue to be taken on the basis of political expediency. The recent assumption by the government of control over the Trujillo family enterprises, the backbone of the country's economy, raises potentially serious problems. There are already indications that General Rodriguez may be quietly gaining control of former Trujillo properties, which had provided the dictatorship with one of the most important elements of its power.

General Rodriguez, who continues to assume functions normally reserved for civil government, holds strong views on the urgent necessity of action to improve the lot of the lower classes. Part of his hostility to UCN leaders was his concept of them as "a few rich men" who do not favor the best interests of the majority of Dominicans.

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FRANCE-ALGERIA

French officials in Paris and Algeria are apparently making extensive preparations for a major effort to break the power of the Secret Army Organization (OAS). This suggests a desire to forestall violent rightist reactions--both in France and Algeria--to an important move Paris may soon make toward an Algerian settlement.

A French official decree of 8 December ordered prosecution of OAS members and sympathizers.

such preparations suggested important moves by De Gaulle after parliament recesses on 15 December,

including internment of prominent anti-government figures such as "French Algeria" extremist Georges Bidault, establishment of some form of censorship, or even announcement of a cease-fire in or referendum on Algeria. The US army attaché in Paris also relayed reports from French officer sources that many OAS members were being arrested as if in preparation for "something big" soon.

In Algeria, Delegate General Morin told US Consul General Porter on 9 December that he thought the OAS might make its bid to disrupt an Algerian solution "at the time we announce a cease-fire and overt negotiations." Morin indicated that effective OAS strength was confined to Algiers and Oran, and that he had just brought special detachments of 200 investigative police from France to curb the OAS by instituting special controls in those cities. Other reports from Algiers state that rumors that secret negotiations

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with the provisional Algerian government (PAG) are nearing completion, coupled with these intensified anti-OAS measures, have markedly increased tension

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The possibility of early favorable developments in the Algerian situation including announcement of public negotiations and a cease-fire has been explored in the French press, and particular attention has been called to the departure of PAG leaders for Cairo and other Arab capitals last weekend in the pattern preceding previous important PAG decisions. However, a member of Premier Debré's entourage doubts that any announcement of the opening of public negotiations with the PAG is likely, if at all, prior to the first of the year. A Foreign Ministry official and others also have recently indicated that while secret preliminary talks have indeed made progress, two principal obstacles remain: the question of guarantees for the European settlers and the nature of the transitional period.

Last week PAG foreign minister Dahlab told a US Embassy officer in Tunis that although important progress toward a final settlement has been made in secret talks, the situation "is not as good as the world press indicates." According to Dahlab, the PAG is prepared to guarantee the economic rights of the European minority, as well as their freedom to practice their own religion, maintain their own schools, and employ their own language--although France will not be granted any authority

to enforce these guarantees. The French, however, reportedly also want assurance that those Europeans who opt for Algerian nationality after independence will not be swallowed up in the Moslem majority and lose all effective political expression. On this point, Dahlab implied, the PAG does not intend to accommodate the French.

On the French domestic front, the Debré government is expected to survive the censure motions of its parliamentary critics--one by the Socialists largely to please their party militants, and another by rightists anxious for a last crack at the government before parliament reconvenes in April. An Interior Ministry official commented to a US Embassy representative that, aside from desiring to act strongly against the OAS as such, the government is increasingly concerned at the way the French Communist party is exploiting the OAS issue. Two Communist-sponsored demonstrations on Algeria and against the OAS were held recently despite the government's ban, and another is scheduled 19 December.

Meanwhile the state of De Gaulle's relations with his armed forces is still open to question, and the US army attaché has reported increasing criticism of the President among officers at an advanced staff school in Paris, including comments from them that "the most important command France now has is in Germany, since therein lies the balance of power in any internal uprising in France." The French forces in Germany are currently commanded by General Jean Crepin, who has repeatedly proven his loyalty to the government, but almost nothing is known of the sentiment of most of the career officers and noncoms there.

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SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY****ALBANIA AND SINO-SOVIET RELATIONS**

The USSR's rupture of diplomatic and economic relations with Albania constitutes Moscow's most serious challenge to date to the Chinese Communists, who, if they continue to support Albania as they have in the past, must now endorse a regime which is clearly and formally outside the Soviet bloc. The extension of the break from the area of party relations to the sphere of governmental relations will serve as a sharp warning to the Chinese and other Communists that Khrushchev is willing to use extreme measures to reassert Soviet leadership of the bloc. Khrushchev's action--which will probably be imitated by the East European satellites--also forces an unwelcome choice on the leaders of North Korea and North Vietnam, who had been trying to occupy a middle ground between Moscow and Peiping.

The news that Moscow was severing its diplomatic ties with Albania was made public by Tirana on 10 December when it published the texts of five notes exchanged by the two capitals between 25 November and 9 December. Two Soviet verbal notes dated 25 November were read by Soviet Deputy Foreign Minister Firyubin to the Albanian chargé, announcing that Moscow was withdrawing Ambassador Shikin from Tirana and demanding that Tirana recall Ambassador Nase from Moscow. A third Soviet note--read to the Albanian chargé on 3 December--said that Moscow was withdrawing its entire embassy staff and commercial representation from Tirana, demanded the withdrawal of the entire Albanian Embassy staff and the commercial counselor from Moscow, and noted that Moscow would inform Tirana which third state would handle Soviet affairs in Albania.

On 12 December, Czechoslovakia "permanently" withdrew its ambassador from Tirana, demanded the recall of the Albanian ambassador from Prague, and announced that its chargé in Tirana would henceforth represent Soviet interests in Albania. The two Albanian notes of 4 and 9 December were devoted to rebutting the justification advanced by the USSR for its actions, and to counter-accusations of Soviet responsibility.

From the texts released by Tirana, it appears that three accusations were leveled by Moscow as immediate justification for the decision to sever relations. Sometime prior to 25 November, Tirana had demanded that Moscow reduce by two thirds the size of its embassy in Tirana, allegedly to make the Soviet Embassy staff equal in size to the Albanian staff in Moscow. In the notes, Moscow labeled this demand "an unheard-of step in relations between states, moreover between Socialist states." The Albanians justified the demand on the ground of "reciprocity," stating also that Khrushchev's strangling of economic and political dealings with Albania had left no reason for so large a Soviet establishment in Tirana.

Moscow next cited the "hostile" activity carried on by Albanians in the USSR, referring particularly to the Albanian Embassy's distribution of documents--which included several of Hoxha's attacks against Khrushchev--to selected Western Embassies on 25 November. Moscow also claimed that Albanian students in the USSR were disseminating anti-Soviet propaganda. Finally, the USSR accused Albania of interfering with the work of the Soviet Embassy staff in Tirana.

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Western reporters in Moscow asserted on 12 December that Albanian Embassy officials were observed to be packing and that the halls of the Albanian Embassy were lined with suitcases and trunks. The entire staff flew home on 14 December.

Tirana's domestic reaction paralleled that following Khrushchev's initial public attack on Albania in his 17 October speech to the Soviet party congress. Radio Tirana on 11 December began reporting mass meetings and the receipt of telegrams from provincial organizations and enterprises protesting the Soviet actions. If the October pattern is to be followed, the Albanian leaders will soon begin tours of the countryside to whip up support for the Hoxha regime. Security precautions in Tirana have been increased in the past two weeks. There are reports of recent measures designed to implement future mobilization of reserves.

Although Peiping has not yet taken note of the Soviet-Albanian break, its public commitment to support Albania has not lessened following the Soviet diplomatic initiative of 25 November and may even have increased. For example, Peiping's support was made more direct in comment on the 29 November Albanian liberation anniversary than on the Albanian party anniversary earlier in the month. Peiping can be expected to announce an expanded program of economic aid as a culmination of the Sino-Albanian economic talks, which have been under way in Peiping since 17 November.

Since 25 November, Peiping has also moved more vigorously to defend and restate the Chinese positions on Communist strategy that had been criticized by Soviet and East European bloc spokesmen. Starting with an attack on Tito in the 28 November People's Daily and continuing in an editorial on 1 December expounding the "Chinese version" of the 1960 Moscow Declaration, an editorial on 7 December on India, an "analysis" on 8 December of President Kennedy's interview with Adzhubey, and a 10 December defense of Chinese views, the Chinese have in effect declared that they will not retreat in the face of this latest Soviet challenge. Peiping's positions on nuclear war and its views on disarmament, the West, armed struggle, the danger of revisionism, and the "Chinese road to revolution" are defended more comprehensively and vigorously than at any time since the uneasy truce was reached at the November 1960 meeting of world Communist leaders.

By moving the break in relations with Albania to the state level, Khrushchev has made it clear that he considers the issue one of power and national interest and that he looks upon the struggle as one not to be compromised but to be unremittingly pursued. The Soviet move makes the dispute between Moscow and its supporters on one side and Albania and the Chinese on the other virtually impossible to reconcile. Moscow's action and the clear intent of the Chinese to continue, if not increase, their support of Albania appear to rule out Soviet agreement to any early bloc meeting to consider the points at issue between the Soviet and Albanian parties.

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SINO-INDIAN RELATIONS

Peiping has responded to Indian charges of renewed Chinese aggression along the Sino-Indian frontier by accusing New Delhi of adopting a policy of armed force to realize its border claims. A Foreign Ministry statement on 6 December maintained that India had mistaken China's "reasonable" attitude over the border as a sign of weakness and warned that Peiping would not be "cowed" by the "extremely dangerous" Indian course.

The statement was a clear warning that the Chinese do not intend to retreat from the positions they now occupy in the disputed border area. Although the advent of winter conditions will considerably reduce the possibility of new clashes in the next few months, Sino-Indian tensions will doubtless remain high, and the chances of progress toward a negotiated settlement correspondingly low.

In an attempt to show that Indian "provocations" created the current tension, Peiping published several official notes on the subject exchanged with the Indian Government over the past several months. The notes were published as part of a press and radio campaign which has focused on Prime Minister Nehru personally. Peiping's attacks on Nehru, which seek to depict him as a phony neutral by linking his foreign policy with the US, have steadily sharpened since the Belgrade nonaligned conference. Typical is a People's Daily editorial

of 7 December charging Nehru with deliberately "fabricating" his charges against China to garner votes in India in the election next February and to repay his debt for US economic assistance.

Chinese propaganda has played heavily on US complicity in India's new "anti-Chinese campaign." It was no accident, Peiping alleges, that Nehru launched his latest charges immediately after returning from Washington. Prominence is also given to Indian press rumors that the new "understanding" between Washington and New Delhi includes a US agreement to furnish India with arms necessary to fight Peiping along the border. This line is apparently designed to add color to Chinese allegations that Nehru is a tool of the United States, as well as to bolster Peiping's thesis that New Delhi has shifted to force as a means of settling the border dispute.

The extent of Peiping's pique is reflected in the fact that the People's Daily editorial went on to accuse Indian Communist party boss Ajoy Ghosh of "trailing behind Nehru" when the latter hastily condemned China without looking into the "rights and wrongs of the case." This unprecedented public attack from Peiping on a "fraternal" party leader injects the border issue once again into the area of the Sino-Soviet dispute. Ghosh has long followed the Moscow line on disputed points of world Communist strategy, and

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the Chinese probably hope to discredit him as the leader of the Indian party and to encourage the party's leftist faction, which supports Peiping's more militant line.

Concurrently with the flare-up over border issues, the Chinese have informed New Delhi of their willingness to renegotiate the treaty with India covering trade in Tibet; the present treaty expires in June 1962. In so doing, Peiping doubtless wished to flaunt, for Asian consumption, an attitude of reasonableness and willingness to negotiate. It may also have been concerned about the imminent loss of listening posts in the form of the trade

agencies it now has under the terms of the treaty in New Delhi, Kalimpong, and Calcutta.

New Delhi, however, has long considered the trade treaty, which specifically committed Peiping to the so-called five principles of peaceful coexistence, to have been virtually nullified because of Chinese violations and had evidently decided against approaching the Chinese for renewal. New Delhi may consider the loss of its three ineffective trade agencies in Tibet a small price for getting rid of the Chinese trade agents in India. Indian refusal to renew the treaty will be widely construed in Asia as a tacit charge that Peiping has dishonored its commitments to the principles of peaceful coexistence

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SOVIET HARASSMENT OF FOREIGN CORRESPONDENTS

Since the ending of formal censorship last March, Soviet authorities have used press attacks, expulsions, and violence to intimidate foreign correspondents and their home offices into strict self-censorship. At the same time, Soviet propagandists--led by Aleksey Adzhubey's newspaper Izvestia--are contrasting the allegedly discriminatory restrictions on Soviet correspondents in the US with the freedom of the press in the USSR, where President Kennedy's interview was recently published in Izvestia.

Shortly after uncensored transmission of dispatches was inaugurated, Izvestia sharply criticized an Italian correspond-

ent for what it labeled his "Goebbels-type propaganda" on low Soviet living standards. The article concluded with a veiled threat: "How long does Signor Levi expect to try the patience of the country that has granted him the official status of a foreign correspondent?"

The Press Department of the Soviet Foreign Ministry--which formerly helped to censor foreign dispatches--still exerts indirect pressures. Press Department officials lectured the chief of the Agence France Presse bureau for falsely reporting that the Soviet Legation in Montevideo had a staff of 80 and that the Kremlin wanted to

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establish bases in Latin American countries. Correspondents who write "good" stories are rewarded with travel permits and special interviews; "difficult" newsmen may be threatened with expulsion, prosecution under the State Secrets Law, or curtailment of access to the news.

Since March, one French and two West German correspondents have been expelled. The expulsion of Le Figaro's correspondent on 29 November was intended to serve notice on home offices that publication of material objectionable to the Soviet Government would deprive them of representation in Moscow. Officials told the French journalist they did not object to his reporting but to an article published by his newspaper entitled: "What were you doing under Stalin, Mr Khrushchev?" The article hit a very sensitive vein when it asserted that Khrushchev, as well as the denounced anti-party group, "had the blood of Communists on his hands." Similarly, the correspondent of the West German Frankfurter Rundschau was expelled in August for an offensive headline which his paper had printed over one of his dispatches.

The other West German expellee was a reporter for the Duesseldorf commercial paper Handelsblatt charged with espionage, despite his embassy's protest that he was performing a reporter's normal functions. He had often boasted of secret news contacts, one of whom became the subject of an article

in Izvestia warning Soviet citizens not to furnish information to foreign correspondents and cautioning Western reporters not to seek information outside official channels.

Several journalists have been victims of incidents apparently arranged to inhibit their reporting or force their ultimate withdrawal. According to the US Embassy doctor, an American correspondent for UPI was not intoxicated but probably drugged when she collapsed after several drinks with a Russian acquaintance. In mid-November an enterprising British newsman said he was drugged and beaten in his hotel after visiting Stalingrad to report on reactions to the renaming of the city.

As in the past, growing international tensions seem to have increased official nervousness about the publication of uncomplimentary or secret materials abroad. Soviet customs refused to allow correspondents to send undeveloped films abroad at the time of Titov's flight and for about two weeks following the East Berlin sector closure. Undeveloped films had been processed through customs without delay since March, although the rule that all film for use in foreign publications must be developed and censored in the USSR had not been officially withdrawn. An American reporter who observed the departure of a high-ranking propaganda team for Berlin in August was warned by a Soviet journalist that this event was "not suitable for a story."

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SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY****SOVIET-AFGHAN RELATIONS**

In the three months since the formal break in diplomatic relations between Afghanistan and Pakistan, the Soviets have appreciably strengthened their position in Afghanistan. The USSR has used the Afghan-Pakistani impasse to increase its role in Afghan trade and military training, and with the conclusion of a new aid agreement last October has reinforced its program of long-term assistance for Afghanistan's economic development.

Shortly after Kabul closed its border with Pakistan in early September, Moscow began airlifting Afghanistan's perishable fresh fruit crop to bloc markets. A supplementary transit agreement signed on 19 November provided for a large part of the Afghan trade that normally moved through Pakistan to transit the USSR at rates competitive with the former route.

Under the October economic aid agreement, the USSR is to provide some \$196,000,000 worth of aid for Kabul's Second Five-Year Plan (1962-66). The unusually favorable terms provide for an interest-free \$115,000,000 credit repayable in 50 years, and for another of \$81,000,000 at 2 percent repayable in 30 years. The new agreement appears compatible with Afghanistan's limited capacity to absorb economic aid, and the terms suggest that plans for Soviet assistance are well developed and will be implemented rapidly.

The provisions for delayed repayment--Afghanistan does not have to begin repaying the larger credit until 25 years after the aid is used--will enable Kabul to avoid committing additional exports to the USSR for discharging its new debts until most of the earlier Soviet credits have been repaid. By adjusting its normal assistance terms to fit Kabul's capabilities, Moscow has taken a long step toward

cementing Soviet-Afghan economic relations for many years to come.

Most of the projects under the new agreement are concentrated in northern Afghanistan near the borders of Soviet Central Asia. They include exploitation of the oil deposits now being explored by a Soviet team, paving of roads, increasing agricultural production, and mineral exploration. Soviet aid in the technical education field is to be expanded greatly. A polytechnic institute capable of training 500 students is to be established in Kabul, and 350 Afghans are to go to the USSR for training.

Kabul's draft plan reportedly envisaged a larger amount of Soviet aid. It probably will be forthcoming as new projects are proposed or as old ones require additional funds. In addition, the Afghans apparently hope to secure substantial Western aid for their plan, although deliveries of such aid at present have been hampered by their refusal to accept shipments coming through Pakistan.

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A stepped-up program of military assistance may be in the offing as a result of recent military negotiations. A Soviet military aid group apparently has been set up in Kabul recently to supervise a general overhaul of the Afghan armed forces training and equipment maintenance programs. The US ambassador in Kabul believes this development probably foreshadows the end of Western military training programs in Afghanistan. (Prepared jointly with ORR)

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SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY****SOUTHERN RHODESIA**

The riots in Salisbury on 7 December dramatized the gradual deterioration in the Southern Rhodesian political situation. From a point of apparent near-agreement on British constitutional proposals last spring, African nationalists and the European-dominated government have steadily drifted apart. The government's banning of the National Democratic party (NDP), the African organization which instigated the disturbances, may make this trend irreversible. It probably will strengthen the influence of NDP activists who believe that civil disobedience and other forms of direct pressure are the only means of effecting change. Further clashes between the nationalists and the government are therefore likely.

The NDP called the demonstrations to protest a British order in council of 6 December promulgating a new constitution for the colony. The constitution, which the largely white Southern Rhodesian electorate approved in a referendum last July, would admit Africans to the legislature for the first time, but to only about 15 of 65 seats. The NDP leadership agreed to the proposals when they were made last February but subsequently reneged, and urged the small African electorate to boycott the referendum.

As recently as September, moderates in the NDP nearly succeeded in persuading the party executive to participate in the next elections, which probably will be held next summer. The defeat of the moderates on this issue presaged the NDP's final commitment to the activist policy which resulted in the 7 December disturbances. The activists were aided in their campaign by the

high rate of unemployment, which leaves large numbers of Africans available for agitation in many Southern Rhodesian cities.

Prime Minister Whitehead's government, either on its own or as a result of pressure from conservative white supporters, continues to underestimate the extent of African sympathy for the NDP's demands and to rely primarily on coercive measures to combat African activity. Although the police brought the demonstrations under control in relatively short order, the government subsequently called up army reserves as a precautionary measure. The banning of the NDP confirms Whitehead's determination to brook no opposition from those he considers irresponsible African radicals.

According to the American Consulate General in Salisbury, the government's action will destroy the party's organization for the time being. However, the government did not arrest the NDP leaders, who thus were deprived of an opportunity to become "martyrs" in African eyes.

To the Africans, who have been increasingly responsive to the NDP's combination of militancy toward the government and intimidation of Africans not sympathetic to the NDP, these security measures will overshadow the recent genuine improvement in race relations in the social and economic spheres, largely a result of governmental prodding. They are likely to criticize these moves as an effort to retain political control by the removal of "pin-pricks," and they probably will grow more uncompromising in their pressure for major political change. A new party to replace the banned NDP, to be called the Zimbabwe National Union, reportedly is already being formed.

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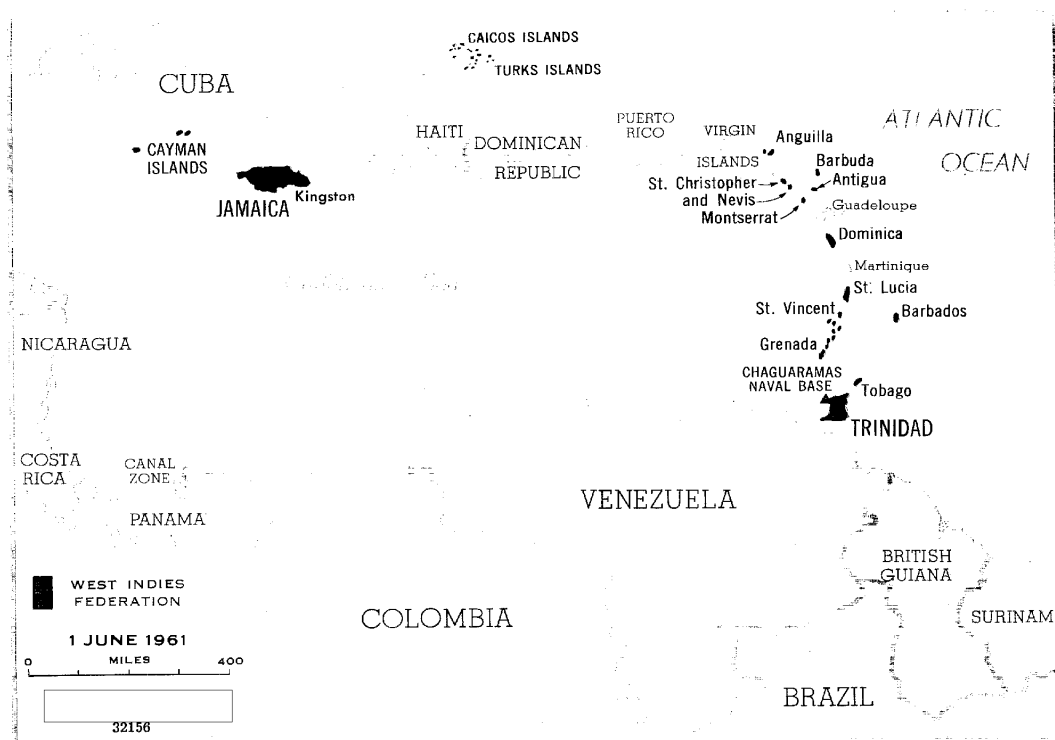
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SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY****WEST INDIES FEDERATION**

Trinidad Premier Eric Williams' denunciation of the West Indies Federation on 6 December probably completes its destruction, at least in its present decentralized form. Williams has also said publicly that the ten-month-old US - West Indies Federation Defense Areas Agreement is "dead," apparently as the opening gambit in a campaign to force the US to increase its aid and renegotiate the agreement, which in the case of Trinidad concerns the Chaguaramas naval base and the associated radar research facility. London still considers the agreement legally valid, despite the fact that Jamaica voted in September to secede from the Federation, but Williams has evidently prepared a formal case for nullification.

In his first public appearance since his party's landslide victory in the local elections on 4 December, Williams--who characteristically takes extreme negotiating positions--called the Federation "one of the most disgraceful episodes in the history of the West Indies." He claimed that the people of Trinidad had rejected federation by electing only nine members of the pro-Federation opposition party to 20 of Williams' People's National Movement, which had been noncommittal on the issue.

Despite the seeming finality of Williams' remarks, London--which will concede separate independence if he insists on it--may try to induce him to reconsider. Unwilling to assume the continuing burden of financing

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the unviable smaller islands of the eastern Caribbean, London would probably prefer to see them included in a Trinidad-led federation and to increase British aid to compensate for the loss of Jamaica, which supplied 43 percent of the federal revenues.

In view of his former efforts to create a strong federation which he expected to head eventually, Williams may in fact hope to be asked to reconstruct the island grouping as a unitary state in the next few months. Alternatively, he may have decided to lead an independent Trinidad and then dictate his terms for any subsequent association with the other islands, which would in this case perhaps remain in a loose confederation of their own. Williams' electoral success confirms his ability to get public backing.

Williams has already complained about the amount of US aid received in connection with the Defense Areas Agreement, which he signed in February 1961 in his capacity as Trinidad's premier. For projects in connection with the agreement, scheduled to run for 17 years, the US this year has offered Trinidad \$8,300,000 in grants, plus an Export-Import Bank loan of \$9,000,000--the total amounting to over \$20 per capita. There has not yet been pressure for more aid in St. Lucia and Antigua, where other important missile-tracking and space-research facilities are located, but if these islands were to lose the economic support of both Jamaica and Trinidad as a result of the Federation's collapse, they will probably seek an increase in US aid.

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LEFTIST GAINS IN BRAZIL

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Communists and their allies in Brazil have scored major gains in recent weeks, particularly in the northeastern area of the country. Recent Senate action undercuts the federal government's plan for long-term development of the area. Widespread protest against the Senate move is enhancing the prestige of Miguel Arraes, the pro-Communist leading candidate for governor of Pernambuco, most important of the northeastern states.

The climate for agitation in the northeast had been improved by a 30-percent price rise for staple foods during October and November. Even

BRAZILIAN DROUGHT RELIEF

Some 342,000 square miles of northeastern Brazil are affected periodically by serious drought. National interest in the problem is reflected in a constitutional provision to allocate 3 percent of federal tax revenues to economic improvement in chronic drought areas. This money has in the past been spent by a long-established agency, "DNOCOS," for make-work projects to enable consumers to pay the exorbitant food prices charged in time of drought. Congressional representatives have shared in the profits of this system. Apparently for this reason, the Brazilian Senate recently passed two amendments which undermine the \$900,000,000 five-year "SUDENE" plan for basic long-term improvement in the area. Senate-approved amendments, not yet passed by the lower chamber, require that tax revenues go to "DNOCOS" and not to "SUDENE" and prohibit "SUDENE" plans for inter-state migration of populations. The "SUDENE" plan had been expected to get under way this year.

prior to the Senate action, the American consul in Recife had expected labor unrest among not only urban but also rural workers, more of whom are being organized in peasant leagues. The peasant leagues are led by Francisco

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Juliao, who has long indicated admiration for Fidel Castro and Mao Tse-tung and is reported to have stated publicly earlier this month: "By law or by force we demand land reform, urban reform, and bank reform." Juliao, who describes himself as a Marxist but not a Communist, predicted that revolution would begin soon in central Brazil.

The Senate amendments are described in the leading Brazilian newspaper as an effort to strengthen "the drought industry"--the widespread practice of profiteering during the periodic droughts. Senators from the eight states of the drought area--who have usually been involved in corrupt administration of relief--make up well over a third of Brazil's 63-seat upper house. The amendments--which have not yet passed the lower house--were introduced by Senator Argemiro Figueiredo of Paraiba.

Extreme leftists have also improved their prospects in the labor field. National labor confederation elections on 8 and 9 December resulted in the election of three labor leaders who generally support the Communist line, including Bendito Cerqueira, who is a member of the General Council of the Communist-dominated World Federation of Trade Unions. The elections apparently reflect President Goulart's unwillingness to take action against Communists in the labor field. While Goulart apparently attempted prior to the election to persuade the pro-Communist and pro-democratic labor leaders to agree on a "unity" slate, he did not exert the traditionally strong influence of a Brazilian



chief executive in favor of the pro-democratic slate, and, in fact, apparently inclined toward the pro-Communists.

Leftist extremists have also scored a considerable success in the economic field in recent weeks with the passage through the Chamber of Deputies in late November of a bill which in effect prohibits new foreign investment. The free foreign exchange rate dropped from 350 to 450 to the dollar, according to press reports, although a move to mobilize opposition to the bill seems likely to bring about substantial modification in the Senate.

Brazilian Communists have been encouraged also by Brazil's re-establishment of diplomatic relations with the USSR on 23 November. Brazil now maintains relations with all European satellites except East Germany.

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SPECIAL ARTICLES

THE 22ND SOVIET PARTY CONGRESS

As Nikita Khrushchev mounted the rostrum to open the 22nd Soviet party congress, there was every reason to expect that ten days of celebration of his and the Soviet Union's successes would follow. He had vanquished his opponents and stood as undisputed leader of the USSR. He had in hand a document--the first party program to be written since 1919--which pictured the Soviet Union as on the brink of achieving Communism. He was ruler of the leading country in a coalition of Communist nations which comprised one third of the world's population and which had grown so strong that its actions and reactions had to be taken into account by all other nations in the world.

Instead of presenting this idyllic picture exclusively, Khrushchev chose to meet head-on a number of problems. His surprise decision to turn the congress into a forum for attacking remnants of Stalinism, the anti-party group, and the Albanian leadership in such a way as to call into question his successes since he achieved power reflects the overriding importance these problems had for him. Although his immediate foes within the Soviet party had been physically removed from power, Khrushchev had merely won an internal power struggle; the policies which they advocated and concepts which they had championed remained to haunt him. The primacy of the USSR within the Communist bloc was still being questioned.

Since it could be made to serve many purposes, Khrushchev seized the issue of de-Stalinization as the tactical basis of his counter-attack. It was a weapon which could be turned

against those within the Soviet Union who were reluctant to accept his unorthodox approaches to difficulties in agriculture and his attempts to invigorate the Soviet economy. It could be used as a club to force into line those who viewed his tactics on the international scene with dismay. Condemnation of the "Stalin cult of the individual" fit the Albanian and Chinese leaders, his most immediate challengers within the bloc. Therefore, de-Stalinization and not the new party program was made a prime topic of the 22nd congress.

Internal Implications

The de-Stalinization campaign begun by Khrushchev's secret speech at the 20th congress in 1956 had not been carried through to its ultimate conclusion. In the face of unexpectedly sharp adverse reaction at home and abroad, the Soviet leaders had stopped the campaign before Stalin's reputation had been completely blackened. Revelations of his monstrous crimes had not been made public, and the effort to eradicate the Stalin symbol by removing his pictures and statues and by renaming the places and institutions which bore his name was cut short. Following the Hungarian revolt, the Soviet leaders had even backtracked somewhat by picturing Stalin as a man whose positive contributions slightly outweighed his negative ones.

The Stalin symbol had remained part of Soviet life, and Stalinism continued to manifest itself in the persistence of dogmas, attitudes, and habits that had grown up under him. These had remained to hamper

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the realization of Khrushchev's objectives as his programs tended to depart more and more from the old and to demand new, imaginative, and flexible leadership. As long as the Stalin symbol remained in any degree hallowed, it would serve as authority and excuse for many of the doctrines and policies which Khrushchev was trying to change and for methods opposed to his own.

A renewal in the denunciation of the anti-party group--Khrushchev's principal whipping boys since June 1957--made an ideal vehicle for carrying the vilification of Stalin to the floor of the 22nd congress. They, too, were "unfinished business"; the catalogue of charges already entered against them permitted easy broadening to make them an object lesson of the corruptness of the Stalinist system, and they formed a convenient link between Khrushchev's major domestic and bloc difficulties. In this regard, Molotov was most useful as the living example of the dangers one had always to be on guard against.

Advance planning and coordination was evident in the way the attack developed, in the division of labor among the party leaders, and in the fact that certain speakers--mainly the top leaders and a few other important figures--had an obvious role in developing the assault, whereas others seemed just to be responding. Khrushchev's opening speech charged that the anti-party group had opposed the de-Stalinization measures adopted at the 20th congress and that they would have restored the Stalinist tyrannical system if they had won power. He also used the de-Stalinization issue as a springboard for the unprecedented public attack on the Albanian leadership with its clearly implied criticism of the Chinese.

Mikoyan, a few days later, presented a catalogue of Molotov's doctrinal errors that was obviously intended to apply to the Chinese. Midway through the congress, Pravda editor Satyukov moved Molotov's crimes into the present by claiming that immediately before the congress had opened, Molotov had sent a letter to the central committee sharply criticizing the new party program for departing from orthodox Communist doctrine.

That neither the anti-party group, nor any organized group of its followers, represented any real threat to Khrushchev is shown by the treatment of their case since the congress closed. After the violent denunciations had reached a crescendo, the congress put them aside as finished business. Khrushchev later implied that they had served their purpose and that the final disposition of their case was of little interest. The three arch criminals are apparently to be expelled from the party.

They had indeed served their purpose. They have been made living examples both of the terror the Soviet populace had escaped by virtue of their replacement by Khrushchev in the seat of power, and of the legality and magnanimity by which the new leader rules. Meetings now are being held throughout the Soviet Union stressing the crimes of Stalin and the anti-party group and concentrating on the evils of the Stalin "cult of personality." They are intended to drive home the fact that Stalin is an evil word and that the things he stood for--and by extension that the anti-party group stood for--are either condemned or at least doctrinally suspect. The removal of Stalin's body from the mausoleum and the renaming of Stalingrad made clear just how far the regime was determined to go.

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The ability to mount and sustain the unequivocal and uncompromising attack on Stalin and Stalinist ideas was a clear demonstration of Khrushchev's personal power and of the strength of his support. Khrushchev has dramatized a sharp contrast between his style of rule and Stalin's, and the proceedings at the 22nd party congress helped refurbish the Khrushchev image developed at the time of the 21st congress in 1959--that of a wise paternal authority, forward looking, and solicitous of the welfare of his people. In recent months that image had been somewhat tarnished by the severity of punishment meted out in the crackdown on speculation, black marketeering, and embezzlement; in the hardening of the Soviet foreign policy line; and by signs of equivocation in domestic economic policy.

Khrushchev's moves at the congress cut the ground out from under the hard-liners at home and has made it much more difficult for even his successors to make radical changes in the policies he has been following since 1956. The risk of being branded a Stalinist now will be a strong deterrent to active pressure against these policies. The task of stimulating and goading the vast Soviet bureaucracy to more imaginative and constructive thought and activity should now be somewhat easier. Old points of view, attitudes, and methods of work, however, die hard. The process of ridding Soviet society of Stalinist survivals will be a long one.

Intrabloc Relations

The challenge Khrushchev faced within the international Communist movement was of a more immediate nature and had a clearly identifiable source. The spread of Communism to other nations after World War II had indeed brought a new and strong power bloc into being, but it also transformed Communist

leaders from mere agents of a movement whose center was in Moscow to rulers of individual countries with strong national interests of their own. Their attempts to adjust Communism to vastly different internal situations and national outlooks led them into conflict with the center. The most serious clash had come with Communist China, whose leaders since 1956 had forcefully presented their own views in opposition to Khrushchev's, and whose challenge had reached such proportions that they could count at least one other Communist regime as their close ally rather than Khrushchev's.

In 1959 and 1960, at the height of the earlier phase of the dispute, the controversy swirled about a number of finely drawn doctrinal and ideological pronouncements with the underlying and more serious question of authority in the background. The ground on which the issue was fought had been chosen by the Chinese, who at that time were posing the challenge. At the meeting of world Communist leaders in Moscow in November 1960 formulas could be found to "paper over" these differences, to present the movement as "unified." At the same meeting, however, the Soviet party attempted to force through a number of propositions which would have reasserted its primacy in the movement and made unilateral pronouncements by the Soviet Union binding on other parties. Chinese refusal to accept these propositions despite a clear majority supporting the Soviet party caused them to be dropped after three weeks of hotly argued sessions.

By attacking Albanian leaders openly at the 22nd congress, Khrushchev began a new phase of the struggle to reassert his authority in the movement and sought to recoup the ground he lost in 1960. In this instance, he has chosen the ground for the battle and has directed his attack at what he regards as the most vulnerable point in the position

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of the Chinese--their continuing support for the Albanians, whose extremism left them open to charges of "dogmatism and sectarianism" and of practicing the "cult of personality."

By accusing the Albanians of every major sin in the Communist lexicon and by seeking to isolate them in the movement, Khrushchev hopes to make the issue of support for the Soviet Union or for Albania the touchstone of proper behavior for a Communist party today. That Khrushchev deliberately chose a public forum for his attack on Albania and reduced the issue to the naked question of power and authority in the international movement indicates that he feels there is no longer any possibility of compromise in the struggle.

Khrushchev's calculation appeared to be that Chinese interest in avoiding an open break is so strong that his frontal attacks on Albania's leaders and indirect attacks on China at the congress gave him a position of maximum advantage. He hoped to put Peiping on the defensive in reopening the Sino-Soviet dispute by branding the Albanian leaders as deviationists, thereby confronting the Chinese with the alternatives of acquiescing in the Soviet indictment or reaffirming their support for a regime declared to be heretical and threatened with expulsion from the bloc.

Khrushchev probably anticipated that the Chinese would have little choice but to continue to support the Albanian regime, since a backdown would represent a major victory for the Soviet party and confirm its unquestioned supremacy in the "socialist" world. He probably hoped to exploit Peiping's support of the Hoxha regime, which he accused of "departing from the generally accepted line of the whole world Communist movement" and reverting to Stalinist practices, to discredit Peiping's claims to a co-equal voice in determining world Communist strategy and orthodoxy, and to demonstrate

China's complete isolation in the "socialist commonwealth." Khrushchev probably also hoped that the outcome of this new phase of the Sino-Soviet dispute will make it more difficult in the future for Peiping to challenge Soviet leadership and to develop a rival center of authority.

Chou En-lai's remark in his brief speech to the congress that the public airing of a dispute between fraternal parties could not be regarded as a serious Marxist-Leninist approach was a clear rebuke to Khrushchev. This point and Chou's further insistence on consultations among disputing parties based on the "principles of equality and unanimity" laid out the ground upon which the Chinese have attempted to meet Khrushchev's challenge. In taking this line, Peiping hopes to maximize support for its position among the many Communists who, even if not particularly sympathetic to Albania, nevertheless deplore the divisive effects on bloc solidarity of Khrushchev's action. At the same time, the Chinese make clear that they will not back down from their support of the Albanian leadership or retreat on the range of ideological issues which dominated the Sino-Soviet dispute in 1960.

Prospects

Khrushchev undoubtedly expected his assault on the Stalin symbol to produce some undesirable results. It is certain, for example, to strengthen pressures --as it did in 1956--for further liberalization both at home and in bloc relations, and Khrushchev may be hard pushed to hold these pressures in bounds. It is already apparent that the international Communist movement has been thrown into serious disarray by his attacks on Stalin and on Albania at the congress. Khrushchev apparently considered, however, that Soviet national interests justified risking the possible adverse consequences, but he apparently believes that he can control the developing situation to the extent necessary to minimize the risks involved.

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SECRET**CURRENT INTELLIGENCE WEEKLY SUMMARY****CZECHOSLOVAKIA'S NEW AGRICULTURAL PROGRAM**

The Czechoslovak regime is apparently planning a major institutional modification of its collectivized agricultural system. The state would assume more direct control over agricultural production, private plots and private livestock holdings would be abolished, and agricultural workers would come under a wage system similar to that for industrial workers. The official ideological justification for the program is that it would raise the technological level of agriculture to that of industry and also raise living standards in rural areas to equal those in the cities, thereby moving the country a considerable step forward toward achievement of a Communist type of society.

There are two possible approaches to complete nationalization of agriculture: conversion of collective farms into state farms; or introduction of a fixed wage system into the existing collectives--a step which would eliminate one of the chief differences between collective and state farms. Both methods have been tested on a fairly large scale in the USSR in recent years, and both have their advocates among Communist leaders. Khrushchev has favored the second, indirect method, and this has in turn become the basis for the Czechoslovak program, personally sponsored by party First Secretary Antonin Novotny, a Khrushchev favorite.

The two main aspects of Novotny's program could be applied in the near future: an amalgamation of collective farms into much larger units, and the introduction of the system of

fixed wages, with an attendant abolition of private farming activity. These reforms are designed to advance the transition of collective farms into state institutions, whose workers are salaried and are not permitted to engage in private enterprise.

Buildup for the New Program

Novotny since late 1959 has sponsored a publicity campaign to pave the way for acceptance of the new agricultural policies. In public speeches during the latter half of that year he began to advocate the desirability of gradually merging smaller collectives into larger farms when conditions warranted, and a major ideological work published in 1960, obviously under his inspiration, explicitly connected the achievement of an "advanced socialist society" with the merger of collective farms. In 1960 the Ministry of Agriculture and the party central committee published studies favoring collective farm mergers and the introduction of a system of fixed wages, although a cautious approach was emphasized. Many collective farms were amalgamated, and fixed wages were experimentally introduced on 70 collective farms.

Not until the plenary session of 9-10 February 1961, however, were Novotny's new agricultural policies submitted to the central committee for approval. Both the committee and the Fifth Congress of Collective Farms (meeting in Prague from 23 to 26 March) endorsed in principle farm amalgamation and the system of fixed wages but stipulated that further consolidation of collective farms should

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not be undertaken until after the 1960 harvest and that only prosperous collectives should be considered eligible for the wage reform. The Collective Farms Congress also announced that as of 1 January 1962, collective farmers would receive social security benefits equivalent to those of industrial workers if their farms had fulfilled production goals, had introduced fixed wages, and had abolished both private plots and private livestock holdings.

Despite the cautious approach, Novotny's proposed reforms are apparently viewed in the party as an action program for the current Third Five-Year Plan (1961-65). It has been announced, for example, that a draft plan for the consolidation of existing village communities is to be published early in 1962, and a recent article in the journal of the State Planning Commission states that the planning of agricultural investments for the rest of the Third Plan must take into account expenditures arising from the expected consolidation of collective farms and villages.

Ideological Approach

In speeches and articles published since the February session of the central committee, the ideological aims of the new agricultural program have been emphasized more than its technological objectives. These discussions have focused on the organization of work in agriculture and on the social and political transformation of the village. The amalgamation of collective farms is urged not only because a large farm enterprise is assumed to be necessary for the application of better farming practices,

but also because the consolidated farms and villages of the future are regarded as bases for duplicating in rural areas essential features of urban life. Novotny has also equated the realization of the new agricultural program with the achievement of the goal of completing by 1970 the building of a "mature socialist society," which would be a prelude to the "transition" to the "Communist" phase by 1980.

Novotny's attitude reflects his continuing belief in the efficiency of organizational schemes based on ideology for the solution of complex economic problems. He is arguing now, as he did when advocating the rapid completion of collectivization in the mid-1950s, for basic institutional changes, on the grounds that "a people's democratic state cannot operate for long on two contradictory economic bases--large-scale industrial production in the city and small-scale private production in the village." By contrast, Premier Vilim Siroky, the leading opponent of Novotny's collectivization policy during 1953-55, argued for the priority of raising agricultural production through improvements in efficiency and technology within the existing framework of a mixed system of private and socialized agriculture.

Novotny's Role in the Program

Since early 1961 there has been a notable increase in Novotny's prestige, reflected in a new line in official propaganda extolling his personal role in the direction of national policy. The USSR has openly praised his leadership qualities. The main point of

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the new line is the personal credit given Novotny for carrying out the completion of agricultural collectivization after 1955 despite opposition from some party leaders, among them then President Zapotocky. These references to opposition to Novotny's past policies appear to constitute an attack on some of his colleagues and probably reflect determination to tolerate no resistance to the new agricultural program.

Implementation of the Program

Czechoslovakia's sustained rapid rate of industrial growth and relatively high standard of living should enable its economy to support the proposed reforms. Its agriculture is on a high technological level, compared with other East European countries, and represents a much smaller share of the national product than in any other satellite except East Germany. Moreover, the rapid completion of collectivization should make the Czech regime confident of its ability to implement the further reforms.

Substantial implementation of this program would have some short-run negative effects on agriculture and the economy in general. The growth of agricultural production would be inhibited, while state expenditures would be increased. Elimination of private plots and private ownership of animals would reduce labor incentives because of the traditional attachment of the farmer to the private plot and its importance to him as the source of one quarter of his income. Abolition of income-in-kind from private farming and administrative problems resulting from the increased size and complexity of the basic farm unit would cause

new problems in the distribution of agricultural products.

Investment requirements in agriculture would be increased as construction of new farm installations in the enlarged village centers were required. The share of the gross income of collective farms distributed to members would have to be increased substantially under the new system of wages in order to counter the loss of income to the farmer from private farming activity, and the establishment of minimum wages for farm workers would result in a sharp decline in the share of collective farm income remaining for investment in years when production is low. The increased investment costs in agriculture and the possible shortfall in agricultural output would work to the disadvantage of industry and other sectors of the economy. Because of the relatively small role of agriculture in the Czechoslovak economy, however, these effects will be less damaging than in other bloc countries.

On the other hand, early initiation of the new agricultural program would tend to strengthen Czechoslovakia's ideological leadership within East Europe as the model satellite, a position already asserted with the country's rapid completion of the collectivization of agriculture in 1956-58 and the promulgation of the socialist constitution of 1960. Implementation of the new program in Czechoslovakia would also exert indirect pressure on other satellite countries--particularly Poland, with its largely private agriculture--to emulate Prague's example in order to reduce the present diversity of national agricultural institutions within East Europe.

(Prepared by ORR)

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